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STATE OF NEW MEXICO  
**Taxation and Revenue Department**  
An Equal Opportunity Employer

**FOR IMMEDIATE RELEASE**  
May 8, 2007

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**Santa Fe Woman Pleads Guilty to Three Counts of Embezzlement and One Count of Tax Evasion**

SANTA FE – On Monday, May 7, Donna Patnode of Santa Fe agreed to plead guilty to three counts of third degree felony embezzlement and one count of attempt to evade her New Mexico Personal Income Tax, a fourth degree felony. The plea agreement was entered into before First Judicial District Judge Michael Vigil in connection with Patnode's alleged embezzlement of between \$100,000 and \$175,000 from Southwest Media, LLC dba Santa Fean Magazine.

Patnode had been charged by criminal information with thirty-three counts of embezzlement and one count of tax evasion for failing to report her embezzlement proceeds on her 2005 New Mexico Personal Income Tax Return. The State of New Mexico agreed not to pursue Patnode on criminal tax charges in connection with her 2003 and 2004 Personal Income Tax Returns. According to the Plea and Disposition Agreement, Patnode agreed to file amended New Mexico Personal Income Tax Returns for 2003, 2004, and 2005. The alleged embezzlement took place from 2003 through January 2006.

According to Deputy District Attorney Peggy Jeffers, Patnode was the head accountant for the Santa Fean magazine and had signatory authority over the business's checking accounts. According to Jeffers, Patnode wrote unauthorized business checks to herself as well as to pay her personal credit card accounts.

Judge Michael Vigil set sentencing for May 21 and told Patnode that at that time he wanted to hear a plan on how she will make restitution.

The case was a result of an investigation by the Santa Fe Police Department and the New Mexico Taxation and Revenue Department's Tax Fraud Investigations Division and was prosecuted by the First Judicial District Attorney's office in Santa Fe.

To report suspected tax fraud against the State of New Mexico, call the Tax Fraud Hotline at 1-866-457-6789.